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UNCLAS SECTION 01 OF 02 CHENNAI 000521

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SUBJECT: TAMIL NADU ELECTION: THE ACTION BEGINS

REF: CHENNAI 00393

1. (SBU) SUMMARY: The lineups are set and the battle lines drawn for the Tamil Nadu state assembly elections on May 8. Incumbent Chief Minister J Jayalalithaa's campaign seems to have the momentum but her opposition may have the more impressive coalition in terms of committed voters. Swing voters will decide the outcome. The national Congress party is part of the opposing alliance and hopes for modest success as a coalition partner in a state they lost to the Dravidian parties back in 1967 and have never regained. END SUMMARY

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OPPOSING LINEUPS TAKE SHAPE  
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2. (SBU) With the defection of charismatic Tamil Nadu politician Vaiko from the DMK alliance to join the rival AIADMK camp (Reftel), the final opposing lineups for the May 8 election appear to be in place. Tamil Nadu Chief Minister Jayalalithaa's AIADMK coalition now includes her own AIADMK party along with Vaiko's MDMK party and the Dalit Panthers of India (DPI). They will be opposed by a DMK-led alliance known as the Democratic Progressive Alliance (DPA) with DMK party chief M. Karunanidhi serving as alliance leader. Karunanidhi's apparently bigger alliance is made up of his DMK party, along with the Congress, PMK, both Communist parties (CPI(M) and CPI) and the Indian Union Muslim League. The other major national party, the BJP, has decided to go it alone in the Tamil Nadu elections. This is not a major loss for either coalition, given the BJP's relative weakness in the state. In the 2001 state assembly elections the BJP won just four of 234 assembly seats.

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JAYALALITHAA HAS THE MOMENTUM  
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3. (SBU) Following a stunning defeat in the May 2004 Lok Sabha election in which her party (partnering with BJP) lost all 39 of the seats it contested, Jayalalithaa quickly changed course, reversing policy on a number of key issues. She announced repeal of the state's Anti-Conversion Law, pleasing religious minorities, reinstated free electric power to farmers, rehired thousands of previously dismissed state workers and instituted a number of "giveaway" programs to various segments of the population in the state.

4. (SBU) These popular giveaway programs have

continued to grow and now include free bicycles for Dalit schoolchildren, stipends for family events like marriages, births and deaths, and free sarees and dhotis for almost anyone who is willing to wait in line for them. This something-for-everyone policy seems to have greatly boosted Jayalalithaa's popularity. And even the weather has been going her way. After years of drought in Tamil Nadu, plentiful rain during the past fall's rainy season has improved life for farmers and almost assured a good rice harvest, which will take place just before election day. The average Tamil Nadu citizen seems to feel that things are going pretty well right now. Vaiko's addition to Jayalalithaa's coalition further adds to her momentum in the public's eyes.

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BUT DON'T COUNT KARUNANIDHI AND THE DMK OUT  
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15. (SBU) It would be a mistake, however, to assume that Jayalalithaa and the AIADMK coalition have the election won. Even with Vaiko's departure, the DMK's coalition is the more impressive. Vaiko is a popular and impressive speaker, especially in his native Tamil, but commands a committed vote bank of only 3 - 4 percent in the state. Running independently in the 2001 state assembly, his MDMK party won no seats. Purely in numbers of committed voters, the DMK coalition holds the edge. It is the uncommitted swing voters who hold the key to the election. As a part of the UPA coalition aligned with the Congress party at the center, it is likely that Karunanidhi can call upon heavyweights like Sonia Gandhi to make

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appearances during the campaign. Gandhi is popular in Tamil Nadu and may be able to capture key swing voters for the DMK alliance.

16. (SBU) The remaining members of the DMK alliance have said that with Vaiko's defection to the enemy, they are newly energized. Each remaining coalition party was allocated additional seats to contest when the seats previously promised to Vaiko became available with his departure. When asked by Post about the DMK coalition's chances for victory, DMK party Treasurer and former GOI Minister for Power and Health, Arcot Veerasamy, said with conviction that the DMK alliance's chances are "200 percent."

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EACH COALITION HAS HURDLES TO OVERCOME  
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17. (SBU) Things are going well for Jayalalithaa but there remain obstacles standing in the way of her ultimate success. The "numbers game" is one impediment. If swing voters were to vote in the same relative proportions as those voters openly committed to one party or another, she would lose since the DMK coalition commands the greater number of committed voters. She must win the swing vote. Another problem is the long-standing corruption and disproportionate wealth charge she faces. Through a series of postponements and delays, she has succeeded in delaying any court appearances in connection with the case until after the election but voters are surely aware of the charges pending against her.

18. (SBU) For Karunanidhi and his coalition, the biggest problem may be Karunanidhi's age. He is 82 and usually walks and even stands with assistance. His ability to wage a vigorous campaign is in question. His heir apparent in the DMK is his son Stalin who has never been popular with voters or party

cadres. If Jayalalithaa can portray the election as a choice between her and Stalin rather than between her and Karunanidhi, she is likely to capture the swing vote which she needs to win the election.

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DOES IT REALLY MATTER WHO WINS?  
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19. (SBU) COMMENT: In terms of politics at the Center, the impact of the Tamil Nadu state assembly election will be minor. The national Congress party would love to be on the winning side and claim another big state as one in which Congress at least shares power. But if the Congress-supported DMK alliance loses, it should not be viewed as a major loss for the Congress party. The real fight in Tamil Nadu is between the Dravidian party heavyweights, the DMK and AIADMK, and their veteran leaders, M. Karunanidhi and J Jayalalithaa. In terms of impact on business interests and potential investment opportunities in Tamil Nadu, it is unlikely that the outcome will result in any significant shift from what most view as a generally favorable business climate in the state. In point of fact, it is difficult to discern any significant ideological differences between the two major parties. Vaiko's comment after switching sides says it all about Tamil Nadu politics: "Ideology has no space in electoral politics. This is only a seat-sharing arrangement for the elections." END COMMENT

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